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## CONGRESSIONAL RECORD — SENATE

August 11

Your committee has added an amendment to the bill providing that where real property is sold and the seller receives a mortgage or similar debt obligation on the real property, and then subsequently the seller is forced to repossess the property, any gain resulting from the repossession is to be limited to the money (and value of other property) received by the seller with respect to the sale before the repossession to the extent that such amounts have not already been reported as income. In the case of repossessions occurring after the enactment of this provision any gain recognized on repossession is further limited in that it may not in any event exceed the gain attributable to the initial sale. This provision also prevents loss in the case of these repossessions. Under present law, in the usual case where the gain has been reported on the installment basis, gain is recognized at the time of repossession to the full extent of the excess of the fair market value of the property repossessed over the basis of the installment obligation attributable to this property. The treatment provided in your committee's amendment applies on an elective basis to taxable years beginning after December 31, 1957, and is the only rule to be applicable in this area to years beginning after the date of enactment of this bill.

The Treasury Department has indicated that it has no objection to the House-passed provision of this bill. With respect to the amendment made by your committee, the Treasury has indicated that the substantive changes made by this provision represent a substantial improvement in our tax laws and that this amendment deserves favorable consideration. With regard to the effective date of this provision, the Treasury Department has indicated that it may well be concluded that the proposed provision should be given a limited retroactive effect, as in this bill. The Treasury has also stated that, if Congress were so to conclude, Treasury would not oppose this effective date.

#### INCREASE IN PARTIAL PAY OF CERTAIN PUBLIC SCHOOL EMPLOYEES IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 1301, H.R. 5337.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5337) to increase the partial pay of educational employees of the public schools of the District of Columbia who are on leave of absence for educational improvement, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1365), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill H.R. 5337 is to amend existing law with regard to partial pay of educational employees of the public schools of the District of Columbia who are on leave of absence for educational improvement. Under the provisions of the bill, the

pay for those involved in educational leave would be computed as follows:

"(1) District of Columbia teachers and other school personnel in class 15 of the present salary scale for school employees, while on leave of absence for educational purposes, shall receive compensation equal to one-half their active duty salaries, less deductions for retirement, group life insurance, health benefits, and income taxes;

"(2) A school employee in any of the other 14 pay-scale classes, on leave for the purpose of educational improvement, shall receive compensation equal to one-half his active duty salary or the largest amount to which any employee in the salary class of elementary and secondary school teachers (class 15) would be entitled while on educational leave—whichever is the lesser—also subject to the deductions listed above."

The committee was advised that section 6 of the District of Columbia School Board regulations pertaining to leave of absence for the purpose of educational improvement will continue in effect in the event H.R. 5337 is enacted into law. In pertinent part, this regulation provides that the Board of Education upon the recommendation of the Superintendent of District of Columbia Schools, may grant leave of absence with part pay for purposes of educational improvement to any school officer, teacher, or other educational employee on permanent tenure whose salary is established in classes 2 to 18, both inclusive, of the Teachers' Salary Act of 1955, as amended, and who has served in the public schools of the District of Columbia not less than 6 consecutive years on probationary and/or permanent status immediately prior to filing application for such leave. In connection with making application for educational leave, the applicant shall also submit a written plan of the educational work to be undertaken during the period of such leave of absence, which shall be approved by the Superintendent. (The complete text of sec. 6 is set forth as app. A of this report.)

Under existing law, a teacher on educational leave of absence receives compensation equal to the difference between his regular salary and the base (minimum) pay for his salary class.

In view of the very considerable increase in the cost of education and the cost of living since 1940, when the present law was enacted, the existing scale of part-pay allowances for teachers on educational improvement leave has proved to be entirely inadequate. This is borne out by the relatively small number of teachers who have applied for the leave in recent years. The committee was informed that only 25 teachers were granted educational leave in the 4-year period ending June 30, 1962.

The enactment of H.R. 5337 will in some measure rectify this situation by allowing for increased pay for those teachers participating in the educational improvement leave program. As an example of the increased benefits provided for under H.R. 5337, teachers with a bachelor's degree, in service step 7, would receive \$3,190 per year, while under existing law the amount received is \$1,380.

Similarly, teachers in the same step but with a master's degree would receive \$3,440 per year under H.R. 5337, while under existing law the amount received is \$1,380.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Arkansas will be stated.

The LEGISLATIVE CLERK. On page 17, after line 7, it is proposed to insert the following:

Section 402. Section 502(b) of the Mutual Security Act of 1954, as amended, is amended by inserting after the words "United States" where they first appear in the first sentence thereof a comma and the following: "which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, as amended, and of the requirements of the U.S. Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President,".

Mr. FULBRIGHT. Mr. President, I shall explain the amendment. The amendment which I have offered grows out of the amendment providing for the maintenance of cemeteries in Italy, which was adopted. I detected that there was misapprehension among some Senators about the nature of counterpart funds. There seemed to be a feeling that because the currency involved is that of a foreign country, it is not worth anything, and it could be used for any purpose. The Senate adopted the amendment.

The pending amendment would restrict the use of nonexcess foreign currencies. Another way to put it is as follows: Currencies that are not needed for purposes specified in section 612(a), which are in furtherance of Government purposes, would be restricted to those uses except in the countries where they are excess. Those countries are Burma, India, Indonesia, Israel, Pakistan, Poland, Egypt and Yugoslavia. When we are dealing with the currency of a country such as Germany or France, the fact that the United States might own some marks or francs does not mean that those are not valuable currencies. They are convertible into dollars.

The effect of the amendment would be felt in the Congress, for it would restrict Members of Congress who travel abroad in using the currencies of those countries, other than the "excess" countries I have named.

So when a Member of Congress arrived in Paris, he would not be handed a packet of so-called counterpart funds, which some Members of Congress seem to have regarded as not worth anything. They are worth something. When we appropriate or authorize appropriation of such funds for a purpose not mentioned in 612(a), it amounts to appropriating dollars for that purpose in any country other than the ones I mentioned.

Therefore, I believe the amendment is very worthwhile. At least it would bring home to Senators that they are not dealing with "funny money" when

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they are handling German marks. They are just as good as dollars, because they can be taken to a bank and exchanged for dollars.

Amendments are often offered which in effect state, "We have this foreign money, and therefore we can undertake to create any kind of project that appeals to someone because it will not cost anything." And then we vote for such measures. I point out that the regular process of authorization should be followed. There should be consideration of the proposal by the committee. There should be an evaluation as to what it will cost the Treasury. That is the only effect of the amendment. Primarily, I would say that it would bring home the fact that we are dealing with matters of real importance to the Treasury of the country.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. I not only enthusiastically support the amendment, but I am also intrigued with the phrase employed by the Senator from Arkansas that it would bring home an appreciation of the value of the currency. Does the Senator think that it might also encourage Members of Congress to remain at home?

Mr. FULBRIGHT. I would not wish to reflect on their motives for traveling. They often go for educational and worthwhile purposes. I regard the amendment as valuable. It is educational in nature. It will teach that the subject of foreign currencies is important. Wherever there are legitimate activities abroad, Congress through its regular committee work can make whatever provision is reasonable and necessary. The amendment would not prohibit a Member of Congress from making the trip. It would stop him from using these good currencies that are not in excess for such purposes.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I know that in many cases whatever counterpart funds we have are utilized for the purpose of travel, and so forth, through agreement with the host country. In many cases it may be difficult to get an agreement with the host country except for some such purpose as a congressional use purpose. I merely wished to be positive that we would not be wasting an opportunity.

Mr. FULBRIGHT. I believe the Senator is talking about private citizens traveling to Public Law 480 countries. The amendment would not affect that.

Mr. JAVITS. No, I am referring to Members of Congress traveling. I wish to be sure that under the amendment we would not lose possession of some of the money which has piled up and of which we might get the benefit by agreement with the country in question.

Mr. FULBRIGHT. I did not make myself clear. When the Senator refers to money that has piled up, if I correctly understood him, that could refer only to the countries which I mentioned

where there is excess local currency. It would not affect that. It is not intended to. The amendment is so drawn that the amendment would not apply to such a situation. So if the Senator should go to any of the countries that I mentioned, he would not be affected by the provisions of the amendment.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I call up my amendment No. 1209, and ask unanimous consent that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1209) offered by Mr. HARTKE is as follows:

On page 9, between lines 20 and 21, insert the following new subsection:

"(a) Amend section 601(b), relating to the encouragement of free enterprise and private participation, as follows:

"(1). Strike out 'and' at the end of paragraph (5).

"(2) Strike out the period at the end of paragraph (6) and substitute '; and'.

"(3) At the end thereof add the following new paragraph:

"(7) conduct a study and investigation to determine the feasibility of establishing tax and other incentives to encourage and facilitate the participation of private enterprise in furthering the development of the economic resources and productive capacities of less-developed friendly countries and areas."

Redesignate the succeeding subsection of section 301 accordingly.

Mr. HARTKE. Mr. President, this amendment is relatively easy to understand. It deals with the question of the future of foreign aid more than with the present bill itself.

Over the years we have seen constant attacks made upon the foreign aid approach, which provides for distribution of funds directly to the countries concerned.

I have found personally that many people believe if we could export, along with some of our funds, a little of our knowledge, the net result might be better. This would have a twofold effect. It would have a good effect upon the countries overseas, but it would also have a good effect on our people at home.

In line with this thought, I offer this amendment because I think it would be well worth our time to make a thorough investigation to determine the feasibility of tax incentives and tax credits to organizations and corporations which are willing to go into underdeveloped countries and make attempts to establish their concerns in those countries.

Many countries do this in various ways, some by direct subsidy, some through

trading companies. There is then established what is called the business presence of the country involved in the underdeveloped country. The net result is a natural flow of benefits to the country from which the effort originated.

One result is the exporting of our personnel to the underdeveloped country, but there would also be a transfer back to our own country of other people who are acquainted with the needs and want to learn methods of developing so-called underdeveloped countries.

I feel that, more and more, as we move toward the development of the lesser developed countries, there is an opportunity for this type of approach, and that it would be beneficial.

I claim no special knowledge in this field. But when I made the proposal to have a businessmen's peace corps, the idea found a sympathetic reception in the business community. It has now become a reality, under the name of the International Executive Service Corps, and there is a good participation of top business leaders in this type of approach.

The idea is that we in this country have something we are proud of, namely, the private enterprise system, and that it works in America. Although some people talk about the "ugly American," I have never found anybody who thinks the American is ugly. Rather, I have found a feeling of envy, or a desire to imitate or to bring into other countries the philosophy and ideas which have made this country worthwhile.

This approach of private enterprise incentives is well worth study. It is within the original concept of the Foreign Aid Act, and is also within the framework of suggestions in the bill which would utilize some of our surplus material.

The amendment provides for study of a new approach to foreign aid. I would hope that, in the economic field, we could ultimately transfer governmental operations into private operations.

For these reasons, I hope the committee and the chairman of the committee are disposed to include this amendment as a part of the bill.

Mr. FULBRIGHT. Mr. President, I think the purpose is a worthy one. As a matter of fact, there has been such a proposal, and I think it is under consideration. There is a bill in the Ways and Means Committee of the House that proposes to give substantial tax credit, which is one of the elements the Senator mentions, to encourage private investment abroad. There may be other elements involved.

I am willing to accept the amendment. I think it is one that is worthy of consideration. Whether or not it creates any problems I do not see at the moment is a question that can be determined in conference.

Mr. HARTKE. I thank the Senator for his wonderful spirit of cooperation and his good judgment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

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## CONGRESSIONAL RECORD — SENATE

August 11

COMMITTEE MEETINGS DURING  
SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may meet until noon during the session of the Senate tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

## CORRECTION OF THE RECORD

Mr. MUSKIE. Mr. President, I rise to request a correction in the RECORD of yesterday, at page 18226. The second and third columns on that page of the RECORD purport to report a colloquy that took place between myself and the junior Senator from Rhode Island [Mr. PELL] and a colloquy between myself and the senior Senator from Maryland [Mr. BEALL].

I request that, in the second column, on that page, in lines 37, 54, 59, and 64, there be substituted for my name the name of the junior Senator from Michigan [Mr. HART].

Also, in the third column, on lines 4, 13, 17, and 23, I ask that there be substituted for my name the name of the junior Senator from Michigan [Mr. HART].

Those two colloquies took place between the Senator from Michigan [Mr. HART] and the Senator from Rhode Island [Mr. PELL] and the Senator from Maryland [Mr. BEALL].

I ask that those corrections be made for the permanent RECORD.

The PRESIDING OFFICER. The corrections will be made.

TRIBUTE TO GEN. WILLIAM F.  
MCKEE

Mr. BYRD of Virginia. Mr. President, on August 31, 1964, Gen. William F. McKee retired from the U.S. Air Force, after a 35-year military career of fine, patriotic service devoted to his country.

The value of his services and the esteem in which General McKee is held by his Government are made manifest by the fact that he retired as the Air Force Vice Chief of Staff.

His capabilities were recognized years ago, when, in 1942, he was chosen among the "qualified" eight officers Gen. H. H. (Hap) Arnold requested for staff duty at headquarters of the Army Air Forces.

Since that time, General McKee has been closely associated with the development of the "modern Air Force." Top-level management has been his specialty.

General McKee is a native of Virginia, and we are proud of him. We are grateful for the valuable contributions he has made to the Nation and to the excellence of our military services.

General McKee and his family have our very best wishes; and his new endeavors will benefit from his strength of character and his extraordinary talents and ability.

I ask unanimous consent to have published in the RECORD, as a part of these remarks, an article on the service of General McKee. The article was published in the Winchester, Va., Star of July 30, 1964.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIR FORCE LEADER RETIRES, WILL BECOME  
NASA AID

When the U.S. Air Force honors its retiring Vice Chief of Staff, Gen. William F. McKee, at a full-scale review at Andrews Air Force base tomorrow, few there will realize they are paying tacit tribute to the four-star general's father, Dr. Thomas K. McKee of Saltville.

The 91-year-old doctor will be unable to be present to see his son honored by the Secretary of the Air Force, Eugene M. Zuckert, and Air Force Chief of Staff Gen. Curtis E. LeMay, by marching units, and a flyby of aircraft from Tactical Air Command and Military Air Transport Service.

Several hundred military and civilian leaders of the armed services, congressional leaders and other Government officials plus ambassadors and foreign air attachés will join in a colorful tribute to the officer who has held the No. 2 military position in the Air Force.

General McKee's father is a legendary character to all who know General "Bozo" McKee well. General McKee speaks frequently of his father. He often quotes the old doctor's words of common sense as they apply to various day-to-day problems of human relations. Their recurring theme is "integrity."

Doctor McKee, surgeon for Olin Mathieson Chemical Corp. in Saltville until he retired 12 years ago, had two brothers who also were doctors who practiced in southwest Virginia. And two of his sons are doctors—Dr. John B. McKee of Winchester, and Dr. Tom P. McKee of Johnson City, Tenn. A third son, Paul D. McKee, lives in Chilhowie, where General McKee was born in 1906. His mother died in 1943.

General McKee is winding up more than 35 years of one of the most uniquely distinguished careers in Air Force history. Top-level management has been his specialty.

He first was tapped for this kind of assignment by Gen. Henry H. ("Hap") Arnold, the "father of the modern Air Force," who in 1942 asked the Army Chief of Staff, Gen. George C. Marshall, to send him eight officers qualified for staff duty at headquarters of the Army Air Forces.

During the next 4 years he served under General Arnold in the Directorate of Air Defense, and later as Deputy Assistant Chief of Air Staff for Operations, Commitments and Requirements.

General McKee was away from the Pentagon for about 18 months, beginning in January 1946, when he was appointed Chief of Staff of Air Transport Command, the forerunner of today's Military Air Transport Service.

That August he went to Paris as commanding general of the European Division of Air Transport Command. In December 1946 he transferred to headquarters of the U.S. Air Forces in Europe (USAFE) at Wiesbaden, Germany, and the following month became commanding general of Headquarters Command of USAFE.

He returned to the Pentagon to become the U.S. Air Force's first Assistant Vice Chief of Staff on September 27, 1947.

General McKee has been directly involved in a remarkable number of the most important organizational and management actions the Air Force has taken in the past 18 years. And many of the Air Force's organizational and management innovations have had great influence on administrative concepts and procedures adopted throughout the Department of Defense and American industry.

In the newly independent Department of the Air Force, General McKee worked closely with its first Secretary, STUART SYMINGTON, now the senior Senator from Missouri.

Air Force historians credit General McKee, along with Generals Spaatz, Vandenberg, and Norstad, as one of the four chief military architects of the organizational structure of the Air Force. They helped establish the basic Air Staff organization in headquarters and the major command structure that the Nation's aerospace arm has today.

General LeMay called General McKee back to Air Force Headquarters when Gen. Frederick H. Smith, Jr., retired as Vice Chief of Staff 2 years ago. There he has handled the day-to-day business of running the Air Force for the Chief of Staff, whose time is taken up mainly with Joint Chiefs of Staff, Department of Defense, and congressional activities. In General LeMay's absence General McKee has assumed the responsibilities of the Air Force Chief of Staff.

Sharing the honors at the retirement review and at the formal dinner and reception will be Mrs. McKee, who attended Arizona State Teachers College and Chicago Musical College before her marriage to General McKee in October 1934.

"She's my most objective adviser," says General McKee. "And she's been my strongest bulwark in times of stress and strain."

Their two sons, Christopher Fulton and William St. John, will attend the ceremonies. Chris, a graduate student at the University of California, is working on his Ph. D. in nuclear physics, after having been graduated from Harvard, summa cum laude, in 3 years. Bill, a ranking scholar at Yale, will be a junior next year.

Although General McKee's 91-year-old father will not be able to attend the ceremony, he is certain to be there in spirit.

"He ought to be," says General McKee, "he got me into this back in 1924. I was attending Emory and Henry College in Emory, Va., when he brought me a letter one day from our Congressman, C. Bascom Slemp, wanting to know if I was interested in going to West Point.

"My father said, 'If you think you're so smart, why don't you try competing with these fellows who are going to take the entrance exam in Washington?'"

"I rose to the bait and in a few weeks I took the exam. The next thing I knew I was standing at attention with my chin tucked in. It was July 1925, and I was at West Point, wondering how I got there."

General and Mrs. McKee plan to make their home in Washington, where he will become assistant administrator for management development of the National Aeronautics and Space Administration on September 1, the White House has announced.

General McKee was honored by President Johnson today at the White House when he presented the general with a second oak leaf cluster to the Distinguished Service Medal—in effect a third DSM.

FARMERS HOME ADMINISTRATION  
STRENGTHENS AMERICAN AGRICULTURE

Mr. McGOVERN. Mr. President, a great many Americans are concerned about the steady decline in the number of farms in the United States, resulting from new technology, increasing capital requirements to continue in farming, and low farm income.

The July issue of the Farm Income Situation, recently released by the Department of Agriculture, indicates that in the past two decades the number of farms in the United States has dropped nearly 2.5 million—from 6.1 million on January 1, 1943, to 3.6 million in January 1963. The decline between 1962 and 1963 was shown as 115,000. This is a